

Statement on Signing the Balanced Budget Act of 1997 *August 5, 1997*

It is with great pleasure that I have signed into law today H.R. 2015, the “Balanced Budget Act of 1997.” This Act, together with the tax cut legislation that I have also signed today, implements an historic agreement that will benefit generations of Americans.

These bills will balance the budget in a way that honors our values, invests in our people, and cuts taxes for middle-class families. They are a victory for all parents who want a good education for their children and for all families working to build a secure future. This package is the best investment we can make in America’s future, and it prepares our Nation for the 21st century. After decades of deficits, we have put America’s fiscal house in order again.

The Balanced Budget Act of 1997 is a balanced package of spending provisions that includes targeted program cuts while it invests in America’s future. It includes the following noteworthy features.

First, it strengthens our families by extending health insurance coverage to up to 5 million children. By investing \$24 billion, we will be able to provide quality medical care for these children—everything from regular check-ups to major surgery. I want every child in America to grow up healthy and strong, and this investment takes a major step toward that goal. I am also pleased that the Congress agreed to pay for this investment in our Nation’s children in part with a 15-cents-a-pack tax increase on cigarettes. Not only will this new revenue help to pay for health care, it will help prevent children from taking up smoking in the first place.

Second, the bill helps finish the job of welfare reform, providing \$3 billion to move welfare recipients to private sector jobs and \$1.5 billion in Food Stamp assistance for people who want to work, but cannot find a job. In addition, it keeps my promise to provide \$12 billion to restore disability and health benefits for 350,000 legal immigrants.

Third, H.R. 2015 honors our commitment to our parents by extending the life of the Medicare Trust Fund for a decade. It also provides structural reforms that will give Medicare beneficiaries more informed choices among competing health plans, authorizes a number of new

anti-fraud provisions, and establishes a wide array of new preventative benefits.

The bill includes proposals to revitalize the District of Columbia. It includes my proposals to assume financial and administrative responsibility for certain District pension plans and to increase the Federal contribution to the District’s Medicaid program. The revitalization measures will benefit the city and the region by reducing the city’s financial burdens and improving the delivery of city services. The Federal assumption of these State-like responsibilities will enable the District Government to focus more intensively on local issues, such as education and law enforcement.

The bill also establishes a sentencing commission made up of District and Federal representatives charged with developing a Truth-in-Sentencing system. The bill also provides for the Federal Government to assume the costs and responsibilities of the District of Columbia’s courts, public defender, and pretrial services systems as well as for felony offender incarceration, supervision, and parole. This assistance will strengthen the District’s criminal justice system and improve public safety. Unfortunately, the Act fails to guarantee that the Justice Department’s Bureau of Prisons will have the time, management flexibility, and resources needed to achieve a safe transition of responsibility for District of Columbia inmates. I look forward to working with the Congress to rectify these problems.

I am also pleased that the bill responds in part to my proposal to narrow the gap between the treatment of insular areas and States with respect to Medicaid payments, and I look forward to working with the Congress to provide more equitable funding for children’s health care in the insular areas.

The Department of Justice has identified a number of Establishment Clause constitutional concerns with respect to section 4454 of H.R. 2015, entitled “Coverage of Services in Religious Nonmedical Health Care Institutions Under the Medicare and Medicaid Programs,” and with respect to section 4001, concerning the Medicare Plus program and treatment of religious fraternal benefit society plans. The Department of

Health and Human Services will consult with the Department of Justice regarding how best to address these concerns.

Section 4422 of the bill purports to require the Secretary of Health and Human Services to develop a legislative proposal for establishing a case-mix adjusted prospective payment system for payment of long-term care hospitals under the Medicare program. I will construe this provision in light of my constitutional duty and authority to recommend to the Congress such legislative measures as I judge necessary and expedient, and to supervise and guide my subordinates, including the review of their proposed communications to the Congress.

The bill also broadens and extends the Federal Communications Commission's authority to auction the right to use the radio and television spectrum. This authority has been a successful means of streamlining the spectrum licensing process and for facilitating the deployment of new and innovative information technologies into the market place. I remain concerned, however, about the lack of a firm date for the termination of analog broadcasting, which made it

necessary to find alternative and troubling savings from the universal service fund. I am also concerned about the waiver of media concentration rules.

This legislation represents an historic compromise. Together with its companion tax cut legislation, H.R. 2015 is a monument to the progress that people of goodwill can make when they put aside partisan interests to work together for the common good and our common future. It reflects the values and aspirations of all Americans.

This summer, we had an historic opportunity to strengthen America for the 21st century—and we have seized it. Now our Nation can move forward stronger, more vibrant, and more united than ever. For that, I am profoundly grateful.

WILLIAM J. CLINTON

The White House,
August 5, 1997.

NOTE: H.R. 2015, approved August 5, was assigned Public Law No. 105-33.

Statement on Signing the Taxpayer Relief Act of 1997

August 5, 1997

I have today approved H.R. 2014, the "Taxpayer Relief Act of 1997." Together with the Balanced Budget Act of 1997, this legislation implements the bipartisan budget agreement.

I have long considered tax cuts for middle-income Americans and small businesses a top priority. In 1993, I worked with the Congress to cut taxes for 15 million working families by expanding the Earned Income Tax Credit, and by providing investment incentives for small businesses. A year later, I proposed my Middle Class Bill of Rights, including child tax credits, deductions for higher education, and expanded Individual Retirement Accounts. Then, in 1996, I signed into law a number of other tax benefits for small businesses and their employees—including greater expensing for small-business investments, greater deductibility of health insurance premiums for small businesses and their employees, and expanded and simplified opportunities for retirement savings. Also in 1996, I

signed into law a \$5,000 tax credit for adoption expenses (\$6,000 for adopting children with special needs) and higher limits for tax-deductible contributions by spouses to Individual Retirement Accounts.

This year, I once again proposed my Middle Class Bill of Rights. On May 2, 1997, the congressional leadership and I reached a historic bipartisan budget agreement that included the broad outlines of key elements of my tax-cut plan.

As my Administration has worked with the Congress over the last few months to develop the details of the balanced budget agreement, I have insisted that the tax-cut package meet four basic tests. First, the tax cuts must be fiscally responsible by avoiding an explosion in revenue costs in years outside the budget windows. Second, the tax cuts must provide a fair balance of benefits for working Americans. Third, the tax cuts must encourage economic growth.